

Stimulus Opportunities Business Roundtables



The Following Presentation was
Conducted by:
United Way of Pennsylvania

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United Way of Pennsylvania

Pennsylvania Business Stimulus Forum

Small Business Administration

July 21, 2009

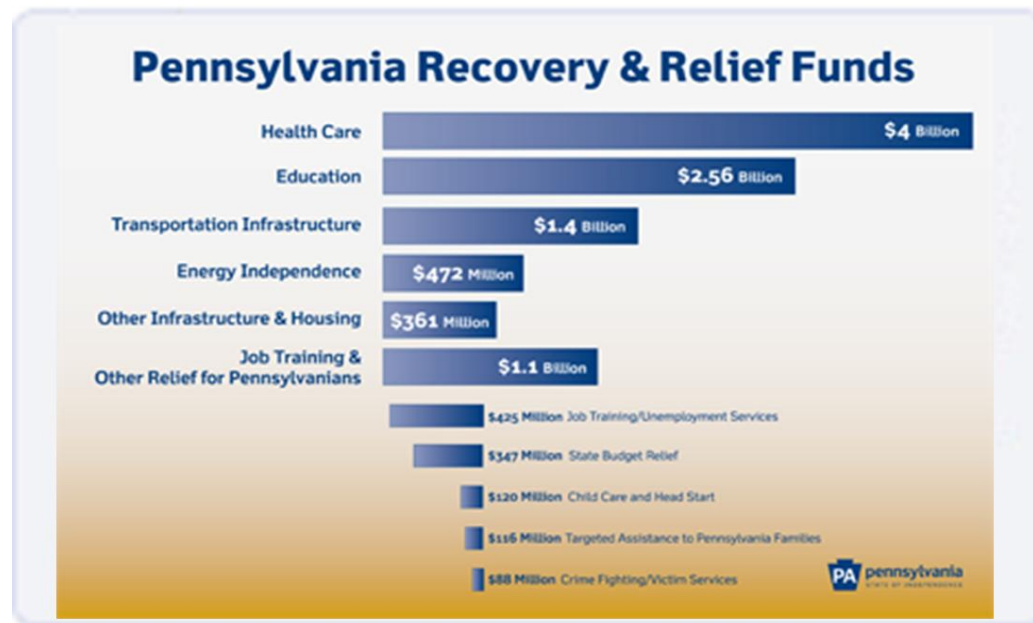
What to Expect...

This presentation includes:

- **The Basics**
 - What is the Stimulus and what does it mean for Pennsylvania?
 - How do I access these funds?
- **Business Funding Sources**
 - Who should I contact?
- **Resources**

What is the Stimulus and what does it mean for Pennsylvania?

- On February 17, 2009, President Barack Obama signed the American Recovery and Reinvestment Act.
- Pennsylvania expects to receive an estimated **\$16 billion** from the federal government.



PA Stimulus Oversight Commission

Ronald J. NaplesChief Accountability Officer

Chairman of Governor's Working Group for Stimulus Accountability; former CEO of Quaker Chemical Corp.; former chairman of the Federal Reserve Bank of Philadelphia

James CreedonChief Implementation Officer

Secretary of the Pennsylvania Department of General Services; former senior vice president for business development, North America, with United Water

Rep. Brian Ellis

R-PA, 11th Legislative District; member of appropriations, finance and tourism, and recreational development committees; member of House Republican policy committee's task force on budget and economic policy

Tony Ross

President and CEO of the United Way of Pennsylvania; former executive director at the Pennsylvania House of Representatives

Gene Barr

Vice president of government and public affairs at the Pennsylvania Chamber of Business and Industry; former government affairs associate director for BP America

Rep. Jennifer Mann

D-PA, 132nd Legislative District; majority caucus secretary; chairwoman of the Democratic Leadership Council's State Legislative Advisory Board.

Sen. Michael Waugh

Caucus chairman, R-PA, 28th; Senate District; former managing partner of Waugh Construction Co.; former assistant fire chief with the Shrewsbury Volunteer Fire Company

Rep. Paul E. Kanjorski

D - PA, 11th District; chairman of the House financial services subcommittee on capital markets, insurance and government sponsored enterprises; member of the committee on oversight and government reform

Guy Ciarrocchi

Strategic communications consultant; former Chief of Staff to Congressman Jim Gerlach; former Director of Public Affairs for the Roman Catholic Archdiocese of Philadelphia.

Sen. Robert Mellow

Leader, D-PA, 22nd District; Democratic Caucus leader; longest serving member of the Pennsylvania Senate

Charles Battaglia

Security advisor for Sen. Arlen Specter; staff director of the Senate committee on veterans affairs; staff director of the Senate select committee on intelligence

J. Terry Kostoff

Former deputy state treasurer for fiscal operations; former deputy auditor general for audits; proxy for U.S. Senator Robert Casey

Direct Benefits to Pennsylvanians

- ✓ **Tax Rebates** – **Over five million** Pennsylvanians will take home more in their pay check due to the \$400 tax rebate provided for individuals earning under \$75,000 or the \$800 tax rebate for families with earnings under \$150,000.
- ✓ **Federal Tax Cut** – With the correction in the federal AMT calculation, over **970,000 Pennsylvania families** will have more disposable income because they will pay less in federal taxes.
- ✓ **College Tax Credit** – An estimated **138,000 Pennsylvania families** will get extra help from the American Opportunity Tax Credit to pay for college this fall.
- ✓ **Increased Unemployment Benefits** – For Pennsylvanians who have lost their jobs, as of March 10th, the checks they receive every other week for unemployment compensation will include an extra \$25 per, and for those who lost their jobs as of last September, if they are not working yet, unemployment compensation payments will be extended to 59 weeks.

Direct Benefits to Pennsylvanians (cont.)

✓ **COBRA** – for some of the unemployed—those that received health benefits on the job, the stimulus package will help them keep their health benefits. This benefit is limited to those who lost their jobs in the last six months. The federal government will rebate via refundable tax credits to the employer, 65% of the employees COBRA premium. The former employee is required to pay the balance of the COBRA premium.

✓ **Increased food stamp benefits – Nearly 1.3 million Pennsylvania families** receiving food stamps will have approximately \$32 more per month to spend on food – increasing sales in grocery stores across the state by a half billion dollars a year.

✓ **Medicaid – Over two million Pennsylvanians** can continue to get health care via the Medicaid program.

✓ **SCHIP** – With passage of the federal SCHIP bill in late January, new federal funds helped preserve Pennsylvania's Cover All Kids program, which continued to sign up children and offer health insurance to 186,000 children in the Commonwealth.

The \$16 Billion Dollar Business Question?

Show Us The Money?



How do Businesses Access Funding?



Stimulus Distribution

- **Over 100 Spending Streams**
- **Thousands Of Recipients**
- **Federal, State and Local Government**
- **Other Entities**



Accountability

Governors, mayors, or others making funding decisions **must certify investments** have been fully vetted and are appropriate uses of tax payer dollars.

- Grantees **must submit quarterly reports** detailing the use of funds to the Granting Agency.
- Reports available on single **searchable website**, accessible by the public without cost, for each federal award of \$25,000 or more over the life of any sub-award.
- PA one of 16 states **General Accounting Office** is monitoring.
- Applicants and sub-recipients, other than individuals, are required to have a **Dun & Bradstreet Data Universal Numbering System (DUNS) number** **and** to maintain a current **Central Contractor Registration**.
- Whistleblowers **are protected**.

Funding for Businesses

Education: \$84 billion for businesses that provide services to local schools for children, adults, dislocated workers and at-risk youth. These services can include providing software or other equipment to schools for training and rehabilitation, conducting research, evaluation and strategic planning.

Energy: \$43 billion for businesses that conduct energy research related to developing clean/green energy or batteries, including fuel-cell vehicles or that promote services that encourage energy conservation. Projects that use biofuels, geothermal, water, wind or solar power are included as well.

Funding for Businesses

- **Additional tax refunds for businesses with gross revenue under \$15 million**

- If taxes paid in 2003-2007, you can now get some of that money back. Previous tax law only allowed a two-year “carry back.”
- Businesses which employ workers who have been out of job for more than 6 months/ students who left school 6 months back and are still unemployed, will receive special tax credits

- **Increased lending capability for the Small Business Administration**

- The ARRA expands the SBA’s abilities to fund your business by increasing their guarantee percentage to 90% and increasing the loan amount to \$2 million. There is an additional loan program of \$35,000 per business for repayment of debt.

Funding for Businesses

- **Increased, faster depreciation**

- Any items purchased for your business in 2008 or 2009 can now be depreciated quicker and up to a higher dollar value (50% depreciation allowance for 2008).
- Depreciation lowers the Adjusted Gross Income, which is the number the IRS uses to decide your tax burden. Therefore, depreciating purchases more quickly and for higher dollar amounts lowers taxes due. *One caveat:* these purchases do not include “real” property—like buildings, land, or even new walls for an office.
- If your business is in a federally recognized “Enterprise Zone”—an economically challenged area,—there are even greater depreciation benefits available.

Community Development Financial Institutions (CDFIs)

Includes local thrifts, banks and non-profits that serve low-income neighborhoods

The Stimulus law and budget plan allocate about \$400 million over two years to community lenders, a huge increase from the roughly \$50 million in 2008.



Other Opportunities

- Broadband
- School Modernization
- School Technology
- Housing Rehabilitation
- Energy Efficiency
- Electrical
- Paving

Broadband

Application & Information

<http://www.broadbandusa.gov>

How Do I Access this Funding?

Special Insight for Businesses

- Review your organization's past history of government funding.
- Complete an inventory or audit of your services.
- Assess opportunities by funding category, including the status of all review and approval processes.
- Timelines for applying for and getting stimulus funds vary by Department and Agency.

How Do I Access this Funding? Special Insight for Businesses

- Partner with federal, state or local agency with jurisdiction over the federal recovery funding program.
- Prioritize “ready to go” opportunities that do **not** require sustainable funding.
- Monitor the recovery websites (www.recovery.pa.gov), federal and state agency websites.

In deciding how to allocate Stimulus resources, organizations should fund expenditures that can be funded within two years and do not need to be sustained in the future.

Funding Rollout - Federal

Register in advance so you can get notice of funding opportunities:

- a. **For grants** (when the federal government issues a grant to an organization to perform certain functions): register at www.grants.gov
- b. **For direct contracts** (when the federal government hires a particular entity to do something): register at www.fbo.gov ["FBO" = Federal Business Opportunities"]
- c. **For either**: many agencies allow you to register directly with them for information. For instance, the Recovery site for the Department of Health & Human Services allows you to sign up to receive emails or RSS feeds; see the lower right sidebar at <http://www.hhs.gov/recovery/>.

Funding Rollout - Federal

- Preference for Quick-Start Activities: *Use it or Lose it!*
- Prohibited Uses: No funds for zoos, aquariums, golf courses, stadiums, swimming pools or casinos.
- Federal prevailing wage rate policy applies.
- Buy America Provisions prevail but can be waived by federal agencies.

Funding Rollout - Local



Local

Area Agencies on Aging

Housing Authorities

Community Action Agencies

Metro planning organizations

County & Municipal Governments

School Boards

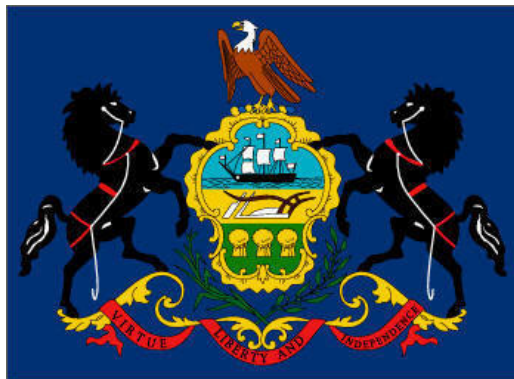
Community Health Centers

Rural planning organizations

Workforce Investment Boards

State of Pennsylvania

Will use its existing transparent processes for awarding grants and making funding decisions.



Contracting Opportunities

PA Stimulus

<http://www.recovery.pa.gov>

Federal Grants

www.grants.gov

Federal Contracts

www.fbo.gov

PA General Services

<http://www.emarketplace.state.pa.us/>

PA Transportation

<http://www.dot.state.pa.us>

Funding Announcements & State Department Stimulus Contacts

Community & Economic Development

John P. Blake (or Bryce Maretzki)
717-720-1346 (or 717-720-1379)
johnpblake@state.pa.us or
bmaretzki@state.pa.us

Environmental Protection

Kelly Heffner
717-783-8727
kheffner@state.pa.us

Labor & Industry

Neil Cashman
717-705-5866
RA-LI-PolicyPlanning@state.pa.us

Banking

Paul Wentzel
717-787-2112
pwentzel@state.pa.us

General Services

Beverly Hudson
717-787-5996
gs-secretary@state.pa.us

Pennsylvania Housing Finance Agency

Holly Glauser-Abel
(717) 780-3994
hglause@phfa.org

Announcements and all contacts located at <http://www.recovery.pa.gov>

Regional Stimulus Forums



May 22 – Pittsburgh

May 27 – Harrisburg

May 29 – Beaver/Lawrence

**June 3 – County Human
Services Administrators**

June 4 – Gettysburg

June 10 – Reading

June 19 – Lebanon

June 22- Harrisburg

(Statewide Forum)

June 23 – Scranton

June 30 – Lehigh Valley

July 6 – Mercer

July 14 – York

July 20 - Philadelphia

Public Officials



U.S. Senator Bob Casey
U.S. Senator Arlen Specter
U.S. Rep. Kathy Dahlkemper
U.S. Rep. Charlie Dent
U.S. Rep. Tim Holden
State Senator Rich Alloway
State Senator Pat Browne

State Senator Mike Waugh
State Rep. Eugene DePasquale
State Rep. Maurie Gingrich
State Rep. Rosemary Swanger
State Rep. Jake Wheatley
State Rep. Jewell Williams
Commissioner Joe Spanik

Reflections From Regional Forums

- Lack of Working Capital
- Devalued Collateral Assets
- Lack Detailed Knowledge of Funding Opportunities
- Need for Grassroots Outreach
- 18 – 24 month process
- Stimulus Initiative Is Bigger Than Any Single Organization

American Recovery and Reinvestment Act

Where to Turn: **Resources**



- White House Recovery Website:**

<http://www.recovery.gov/>

- Pennsylvania Recovery Website:**

<http://www.recovery.pa.gov/>

- Stimulus for Businesses Tips:**

<http://www.2009stimulusforbusiness.com>

- National Council of State Legislatures:**

<http://www.ncsl.org/statefed/2009economicstimulus.htm>

- Full Text of Legislation:**

<http://thomas.loc.gov/cgi-bin/bdquery/z?d111:h.r.00001:>

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